

Message Text

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ACTION EA-12

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TO SECSTATE WASHDC 9237
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CINCPAC
USUN NEW YORK 621

C O N F I D E N T I A L VIENTIANE 0516

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PGOV EAGR SREF PINS VM
SUBJECT: POSSIBLE SRV "NATIONALIZATION" OF LAND IN THE SOUTH

1. AN INTERNATIONAL ORGANIZATION REPRESENTATIVE BASED IN HANOI TOLD US MAY 3 THAT HE UNDERSTOOD THAT THE SRV WOULD SOON MOVE TO "NATIONALIZE" PEASANT LAND IN SOUTHERN VIET NAM. HE EXPLAINED THAT IN RESPONSE TO A RICE TAX IMPOSED BY HANOI SOON AFTER "LIBERATION," SOUTHERN FARMERS HAD FIRST PRODUCED LESS RICE BUT THEN GRADUALLY HAD RESUMED A NORMAL LEVEL OF PRODUCTION, CHANNELING THEIR SURPLUS INTO THE BLACK MARKET CENTERED IN CHO LON. WITH THE CLOSURE OF PRIVATE BUSINESSES IN CHO LON MARCH 23, THE SRV NOW WOULD MOVE TO COLLECTIVIZE PEASANT LAND FORCIBLY IN ORDER TO STAVE OFF THE GRADUAL RE-ESTABLISHMENT OF A BLACK MARKET FOR RICE, ACCORDING TO THE SOURCE. (COMMENT: THE SOURCE WOULD NOT INDICATE
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THE BASIS FOR THIS EXPECTATION BUT ADDED THAT HE WAS NOT BASING HIS REMARKS ON "JOURNALISTS" SPECULATION.")

2. THE SOURCE SAID THAT HE EXPECTED THAT SOME PEASANTS MIGHT SEEK TO EVADE "NATIONALIZATION" OF THEIR LAND FOR A TIME, AND THAT EVENTUALLY MANY MIGHT OPT FOR RESISTANCE OR FOR REFUGEE STATUS RATHER THAN SUBMIT TO THE SRV'S

POLICY.

3. COMMENT: ONE RATIONALE OFFERED FOR THE NATIONALIZATION OF BUSINESSES IN SOUTHERN VIET NAM WAS THAT HANOI FELT IT COULD NO LONGER TOLERATE THE PERSISTENCE OF TWO ECONOMIC SYSTEMS IN ONE COUNTRY. THE LARGE NUMBERS OF PRIVATE PEASANT FARMERS IN SOUTHERN VIET NAM REPRESENTED JUST AS MUCH OF AN ANOMALY IN A "SOCIALIST" ECONOMY AS DID THE 30,000 PRIVATE BUSINESSES NATIONALIZED IN HO CHI MINH CITY IN MARCH. IN THIS CONNECTION, WE NOTE NEWS REPORTS HEARD HERE MAY 4 THAT THE SRV HAS CREATED A SINGLE MONETARY UNIT TO REPLACE THE SEPARATE DONG CURRENCIES WHICH HAD HERETOFORE CIRCULATED IN THE NORTH AND SOUTH.

4. WHETHER HANOI WILL OPT FOR A GRADUAL COLLECTIVIZATION OF SOUTHERN FARMLANDS THROUGH INCENTIVES OR PUSH FOR A RAPID CONVERSION TO STATE OWNERSHIP OF LAND IN THE SOUTH (TO PARALLEL THE PATTERN IN THE NORTH). IS OPEN TO QUESTION. THE DISASTROUS RESULTS OF FORCED COLLECTIVAZATION IN THE NORTH IN 1954-56 WOULD PRESUMABLY GIVE HANOI PAUSE. CONVINCED OF THE DESIRABILITY OF COLLECTIVATION AND FACED WITH SEVERE AND CHRONIC FOOD SHORTAGES, HOWEVER, HANOI MAY CHOOSE NOT TO WAIT FOR A GRADUALIST SOLUTION.

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5. IF HANOI DOES NOVE TO "NATIONALIZE" AS PREDICTED BY OUR SOURCE, THE FLOW OF RURAL VIETNAMESE FROM THE SOUTH COULD POSE SIGNIFICANT NEW REFUGEE PROBLEMS.
ROBERTS

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